Banks make an estimate of costs depending upon the volume, technology adopted, facilities offered etc., for fixing the service charges.

RBI has advised Indian Banks' Association to examine the issue and bring about some uniform approach especially in regard to financial charges, service charges, rate of interest in the background of general reduction in interest rates. The issue is being examined by them in consultation with their member banks.

Writing off of loans by Banks

†1991. SHRI BALKAVI BAIRAGI: Will the Minister of FINANCE AND COMPANY AFFAIRS be pleased to state:

(a) whether it is a fact that Government/R.B.I, has launched a scheme to settle the loans amounting to Rs. one lakh, cases regarding which were pending in courts for the last 15-20 years on repayments of principal amount without interest;

(b) if so, the results thereof; and

(c) if not, the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE AND COMPANY AFFAIRS (SHRI ANANDRAO VITHOBA ADSUL): (a) to (c) No specific scheme to settle outstanding loans amounting to Rs. one lakh of public sector banks, has been launched by Government/Reserve Bank of India (RBI). However, a scheme for recovery of all loan accounts with outstanding balance of upto Rs. 25,000/- was launched in December, 2001 and was operative upto 30th June, 2002. The scheme, *inter-alia* provided that the amount to be recovered would be the balance outstanding towards principal in the account as on 31st March, 1998 and any interest which is included in the outstanding amount as on 31st March, 1998 or accured on the balance outstanding after that date will be waived. As per the available information as on 31 st March, 2002, out of the applications received, approvals were given in respect of 1.79 lakh cases involving an amount of Rs. 149 crore. The total recoveries reported under the scheme as on 31st March, 2002 amounted to Rs. 89.51 crores and the remaining amount was to be recovered in instalments.

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†Original notice of the question was received in Hindi.